

<b>SOLICITATION, OFFER AND AWARD</b>			1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE OF PAGES 1 33	
2. CONTRACT NO.		3. SOLICITATION NO. N65540-03-R-0078		4. TYPE OF SOLICITATION [ ] SEALED BID (IFB) [ X ] NEGOTIATED (RFP)	5. DATE ISSUED 18 Aug 2003	6. REQUISITION/PURCHASE NO.	
7. ISSUED BY NAVAL SURFACE WARFARE CENTER, CARDEROCK CODE 3352, KAREN VAN GIESEN 5001 SOUTH BROAD ST. PHILADELPHIA PA 19112-1403			CODE N65540	8. ADDRESS OFFER TO (If other than Item 7)  <b>See Item 7</b>		CODE	
			TEL: 215-897-7644			TEL:	
			FAX: 215-897-7994			FAX:	
NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".							
<b>SOLICITATION</b>							
9. Sealed offers in original and <u>2</u> copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in <u>Code 3352, Bldg.4</u> until <u>16 00</u> local time <u>18 Sep 2003</u> (Hour) (Date)							
CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.							
10. FOR INFORMATION CALL:		A. NAME KAREN VANGIESEN		B. TELEPHONE (Include area code) (NO COLLECT CALLS) 215-897-7644		C. E-MAIL ADDRESS VanGiesenKJ@nswccd.navy.mil	
11. TABLE OF CONTENTS							
(X)	SEC.	DESCRIPTION		PAGE(S)	(X)	SEC.	DESCRIPTION
<b>PART I - THE SCHEDULE</b>					<b>PART II - CONTRACT CLAUSES</b>		
X	A	SOLICITATION/ CONTRACT FORM		1	X	I	CONTRACT CLAUSES
X	B	SUPPLIES OR SERVICES AND PRICES/ COSTS		2	<b>PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS</b>		
X	C	DESCRIPTION/ SPECS./ WORK STATEMENT		4	X	J	LIST OF ATTACHMENTS
X	D	PACKAGING AND MARKING		9	<b>PART IV - REPRESENTATIONS AND INSTRUCTIONS</b>		
X	E	INSPECTION AND ACCEPTANCE		10	X	K	REPRESENTATIONS, CERTIFICATIONS AND
X	F	DELIVERIES OR PERFORMANCE		11			OTHER STATEMENTS OF OFFERORS
X	G	CONTRACT ADMINISTRATION DATA		13	X	L	INSTRS., CONDS., AND NOTICES TO OFFERORS
	H	SPECIAL CONTRACT REQUIREMENTS			X	M	EVALUATION FACTORS FOR AWARD
							33
<b>OFFER (Must be fully completed by offeror)</b>							
NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.							
12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.							
13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)							
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):				AMENDMENT NO.		DATE	
15A. NAME AND ADDRESS OF OFFEROR		CODE	FACILITY		16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)		
15B. TELEPHONE NO (Include area code)		15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. <input type="checkbox"/>			17. SIGNATURE		18. OFFER DATE
<b>AWARD (To be completed by Government)</b>							
19. ACCEPTED AS TO ITEMS NUMBERED		20. AMOUNT		21. ACCOUNTING AND APPROPRIATION			
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c)( ) <input type="checkbox"/> 41 U.S.C. 253(c)( )				23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)		ITEM	
24. ADMINISTERED BY (If other than Item 7)		CODE	25. PAYMENT WILL BE MADE BY		CODE		
26. NAME OF CONTRACTING OFFICER (Type or print)				27. UNITED STATES OF AMERICA  (Signature of Contracting Officer)		28. AWARD DATE	

**IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.**

## SECTION B Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Engineering and Technical Services FFP - Engineering and Technical Services for the repair of one LM2500 Turbine Midframe from a U.S. Navy LM2500 gas generator.				

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 NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AA	Repair FFP - Repair of one LM2500 turbine mid frame (TMF) removed from a decommissioned U.S. Navy LM2500 gas generator in accordance with Section C - Statement of Work	1.00			

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 NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AB	Material FFP - Material costs associated with 0001				

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 NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AC	Reassemble and Pressure Test the TMF FFP				
					<hr/>
					NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AD	Shipping FFP - Hermetically seal and ship the TMF to NSWCCD-SSES Philadelphia in accordance with Section F of the contract				
					<hr/>
					NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AE	Technical Data FFP - Technical Data in accordance with DD Form 1423, Seq. Nos. A001 through A002				
					<hr/>
NOT SEPARATELY PRICED					

## SECTION C Descriptions and Specifications

### C – STATEMENT OF WORK

Commercial Depot Level Overhaul of US Navy LM2500 Turbine Mid Frame (TMF) removed from a decommissioned US Navy LM2500 gas generator.

#### C.1 Scope

This specification identifies the requirements for commercial depot level overhaul of one (1) US Navy LM2500 TMF, national stock number (NSN) 2835-01-077-5495 (part number (PN) L21794G03).

#### C.2 Applicable Documents

##### C.2.1 General

While every effort has been made to ensure the completeness of this list, document users are cautioned that they shall meet all specified requirements cited in Sections C.3 and C.4 of this specification, in addition to the specifications listed in the documents listed in Section C.2.2.

##### C.2.2 Government Documents

US Navy LM2500 Technical Manuals:

Organizational Level:

- S9234-AD-MMO-070/LM2500 latest revision
- S9234-AD-MMO-080/LM2500 latest revision
- S9234-AD-MMO-090/LM2500 latest revision

Depot Level Maintenance:

- S9234-AB-MMD-010/LM2500 latest revision
- S9234-AB-MMD-020/LM2500 latest revision
- S9234-AB-MMD-030/LM2500 latest revision
- S9234-AB-MMD-040/LM2500 latest revision
- S9234-AB-MMD-050/LM2500 latest revision
- S9234-AB-MMD-060/LM2500 latest revision

If requested, the US Navy LM2500 technical manuals will be provided after contract award to the successful Contractor. Application for copies of US Navy LM2500 technical manuals shall be addressed to Naval Surface Warfare Center (NSWC) Code 9333. The Contractor must request permission from NSWC Code 9333 to reproduce the manuals. Any US Navy manuals issued, and all copies made, and all printouts generated will remain the property of the US Navy.

##### C.2.3 Commercial Documents

If, after contract award, the Contractor proposes to use commercial General Electric (GE) repair procedures to complete the TMF overhaul, the Contractor must request approval from NSWC Code 9333 in writing prior to commencing repairs.

##### C.2.4 Order of Precedence

In the event of a conflict between the text of this document and the references cited herein, the US Navy LM2500 technical manuals listed in Section C.2.2 of this document take precedence. These manuals are as follows: Organizational Level Maintenance S9234-AD-MMO-070/LM2500 through S9234-AD-MMO-090/LM2500 latest

revision and Depot Level Maintenance S9234-AB-MMD-010/LM2500 through S9234-AB-MMD-060/LM2500 latest revision.

### **C.3 Requirements**

#### **C.3.1 General**

The Contractor shall have prior experience with the overhaul of the GE LM2500 TMF for industrial or marine customers.

The Contractor shall furnish services in accordance with any written technical instructions. No verbal instructions will be accepted to the specifications set forth herein.

The Contractor shall overhaul, modify, incorporate mandatory updates, maintain standard configuration integrity, assemble, test, preserve, package, document, mark and prepare for shipment the LM2500 TMF in accordance with this specification.

All overhaul work performed under this specification shall be in accordance with the current US Navy LM2500 depot level technical manuals, S9234-AB-MMD-010 through S9234-AB-MMD-060 latest revision. Any and all deviations from these technical manuals must be approved in writing by the cognizant technical representative at NSWC prior to implementation.

All overhaul work performed under this specification shall be for the TMF to be modified to standard configuration, overhauled and delivered Ready For Issue (RFI) to the fleet. All parts shall be cleaned in accordance with procedures outlined in US Navy LM2500 depot level technical manual S9234-AB-MMD-010/LM2500 Chapter 3 or US Navy approved equivalent standard commercial procedures.

In addition to NSN and PN markings contained herein, overhauled units shall be marked in accordance with standard commercial practice with the contract number and date of overhaul.

#### **C.3.2 Tooling**

The Contractor shall possess all supplies and materials necessary to accomplish the overhaul of US Navy LM2500 TMF assembly. At the time of proposal submission, the contractor shall possess a minimum of 90% of the total number, and 95% of the total dollar value, of all required tooling and machinery necessary to perform an overhaul of an LM2500 TMF. The US Navy shall not provide nor be responsible for any special support equipment, tooling, or machinery used for the overhaul of US Navy LM2500 TMF. A list of Special Support Equipment and tooling required to perform an overhaul of an LM2500 TMF is contained in US Navy depot level technical manual S9234-AB-MMD-010/LM2500 Chapter 2. This list outlines the minimum required equipment needed to perform an overhaul of an LM2500 TMF. Contractor's may propose to use LM2500 TMF special support equipment, tooling, and associated machinery in excess of what is required in US Navy technical manual S9234-AB-MMD-010/LM2500 Chapter 2, that enhances the Contractor's ability to perform an LM2500 TMF overhaul.

#### **C.3.3 Material**

The Contractor shall supply and only use US Navy approved parts in the overhaul of US Navy LM2500 TMF. All approved parts for use in US Navy LM2500 TMF are listed in the US Navy LM2500 Illustrated Parts Breakdown S9234-AD-MMO-070/LM2500 through S9234-AD-MMO-090/LM2500 latest revision. The use of aftermarket parts is not permitted.

All US Navy material shall be stored indoors in a separate secured area. The Contractor shall be responsible for the security of any US Navy assets while the assets are at the Contractor's facility until the time that the TMF is delivered to a US Navy facility.

All material that scraps out during the TMF overhaul is property of the US Navy and is required to be shipped back to the US Navy when the overhaul is complete.

### C.3.3 US Navy Furnished TMF Overhaul Upgrade Kits

The US Navy will provide the Contractor with selected US Navy LM2500 TMF upgrade kits as listed in Table 1. Gas Turbine Bulletin (GTB) - 24R1 entitled Inspection/Installation of TMF Anti-Rotation Pins is to be incorporated into the TMF overhaul. GTB 24R1 installs anti-rotation pins in the TMF to prevent a clocked liner from contacting and severing the gas generator thermocouples. The US Navy will supply the anti-rotation pins to the Contractor at no cost to the Contractor.

US Navy Gas Turbine Change (GTC) 89 entitled Coast Metal 64 Hardcoat TMF for Wear Protection is also required to be incorporated into the TMF overhaul however the Contractor is responsible for providing the material.

GTB/GTC	Issue Date	Subject	Kit Part Number
GTB 24R1	4/10/2000	Inspection/Installation of TMF Anti-Rotation Pins	135042
GTC 89	8/10/1994	Coast Metal 64 Hardcoat TMF For Wear Protection	To be provided by Contractor

**Table 1: LM2500 TMF Overhaul Upgrade Kits**

### C.3.4 LM2500 TMF Work Scope

The Contractor shall process the TMF per procedures outlined in the US Navy LM2500 depot level technical manuals. In addition, the Contractor shall perform the following:

- a. Replace No. 5R bearing, PN 9081M69P01 per Figure 8-16 of US Navy LM2500 depot level technical manual, with new.
- b. Replace No. 6R bearing, PN 9658M53P02 per Figure 8-16 of US Navy LM2500 depot level technical manual, with new.
- c. Replace TMF oil tube, PN 9084M64G02 per Figure 8-81 of US Navy LM2500 depot level technical manual, with new.
- d. Replace TMF retainer rings, PN 9051M13G01 per Figure 8-82 of US Navy LM2500 depot level technical manual, with new.
- e. Replace TMF Low Pressure Turbine (LPT) nozzle support, PN 9064M27G02 per Figure 8-78 of US Navy LM2500 depot level technical manual, with new.
- f. Comply with GTB 24R1.
- g. Comply with GTC 89.
- h. Replace broken lockwire tabs on TMF outer case.
- i. Weld build-up forward and aft outer rings on TMF liner. Patch weld deflector holes.
- j. Restore dimensional requirements on TMF hub.
- k. Weld build-up anti-rotation pin slots as required.
- l. Repair TMF outer scavenge tube ending and flange.
- m. Repair TMF inner scavenge tube ending.
- n. Repair TMF outer vent tube ending.
- o. Repair TMF inner vent tube insulation blanket.
- p. Repair TMF LPT stage 1 nozzles.

Any conditions found that exceed the technical manual service limits require repair or replacement of component in accordance with the US Navy LM2500 depot level technical manuals.

US Navy LM2500 TMF shall have the mandatory Gas Turbine Technical Directives, GTB 24R1 and GTC 89, incorporated during the overhaul. NSWC Code 9333 will provide the Technical Directive upgrade kits to the Contractor to incorporate these Technical Directive at no cost to the Contractor, with the exception being GTC 89 for which the Contractor will have to provide. To view/download individual Technical Directives, the Contractor may visit the US Navy Marine Gas Turbine website at [www.navygasturbines.org](http://www.navygasturbines.org).

### **C.3.5 Technical Approval**

Deviations from the latest revisions of US Navy LM2500 depot level technical manuals, listed in Section C.2.2 of this document, such as waivers, engineering change proposals, material substitutions, engineering directives or alternate overhaul methods, not specifically stated in these manuals shall only be permitted after processing deviations and obtaining written approval from NSWC Code 9333. Documentation for requesting such deviations to the US Navy technical manuals shall be an email sent to NSWC Code 9333 followed by a letter on company letterhead.

All processes, procedures, inspection criteria, and components used in the overhaul of US Navy LM2500 TMF shall be approved by NSWC Code 9333 for use or implementation in the TMF overhaul. Approved procedures and components are listed in the US Navy LM2500 technical manuals, outlined in Section C.2.2 of this document. The US Navy upon written request will evaluate additional procedures and components not listed in the aforementioned technical manuals on a case-by-case basis. Commercially equivalent procedures will be considered but are not approved for use without written authorization from NSWC Code 9333.

### **C.3.6 Delivery**

The US Navy LM2500 TMF shall be overhauled, tested, documented and prepared for shipment within sixty (60) days after induction into repair cycle. The Contractor shall report work stoppage due to US Navy related delays to NSWC Code 9333 and to NSWC Code 3352, within three (3) working days. The repair cycle starts when the US Navy TMF arrives at the Contractor's facility, and is completed once the overhauled TMF is shipped to the US Navy.

### **C.3.7 TMF Overhaul Report**

The Contractor shall compile a TMF overhaul report in the Contractor's format. This report shall be submitted to NSWC Code 9333 within sixty (60) days after completion of overhaul, in accordance with Contract Data Requirement (DD 1423 – A001). This report at a minimum shall contain:

- a. Total overhaul work scope.
- b. A list of all parts replaced and/or upgraded (e.g. part numbers, serial numbers and work performed).
- c. Assembly records, a detailed step-by-step record of TMF assembly.
- d. Test records from all testing performed.
- e. List of all US Navy TMF upgrade kits incorporated.
- f. All authorized deviations from US Navy LM2500 depot level technical manuals.
- g. Method of shipment and location shipped to.

## **C.4 Testing Requirements**

### **C.4.1 General**

After overhaul and assembly, the Contractor shall pressure test the US Navy LM2500 TMF in accordance with the testing criteria cited in the latest revision of the appropriate US Navy LM2500 depot level technical manual. The TMF shall be tested to ensure that it will operate properly when installed on a gas generator.

Data from testing will be enclosed in the TMF overhaul report produced by the Contractor.

## **C.5 Quality Assurance**

### **C.5.1 General**

The Contractor shall provide a commercial warranty, which applies to the overhaul work performed under the contract, in accordance with Contract Data Requirement (DD 1423 – A002).

The Contractor shall maintain an internal component tracking system within their facility.

The Contractor shall minimize the use of subcontractors for overhaul.

## **C.6 Shipping and Packaging**

The Contractor shall be responsible for all shipping required to overhaul the US Navy LM2500 TMF. The Contractor shall have the LM2500 TMF shipped to the Contractor's facility for overhaul. When the overhaul is complete the Contractor shall hermetically seal the TMF for preservation and ship the asset to NSWC Philadelphia.

All scrapped out material during the TMF overhaul shall also be packaged in accordance with standard commercial procedures and shipped to NSWC Philadelphia.



## SECTION D Packaging and Marking

Packaging shall be in accordance with Section C.6 of the Statement of Work.

SECTION E Inspection and Acceptance

CLAUSES INCORPORATED BY REFERENCE:

52.246-4	Inspection Of Services--Fixed Price	AUG 1996
252.246-7000	Material Inspection And Receiving Report	MAR 2003

INSPECTION AND ACCEPTANCE TERMS

Supplies/Services will be inspected/accepted at:

CLIN	INSPECT	ACCEPT
0001	Destination	Destination

## SECTION F Deliveries or Performance

## CLAUSES INCORPORATED BY REFERENCE:

52.242-15	Stop-Work Order	AUG 1989
52.242-17	Government Delay Of Work	APR 1984
52.247-34	F.O.B. Destination	NOV 1991
52.247-55	F.O.B. Point For Delivery Of Government-Furnished Property	JUN 2003

## CLAUSES INCORPORATED BY FULL TEXT

**SHIP TO ADDRESS:**

Naval Surface Warfare Center  
 5101 South 18<sup>th</sup> Street  
 Bldg. 1000, 3<sup>rd</sup> Floor  
 Philadelphia, PA 19112-1403  
 Attn: Tom Habib, Code 9332

52.211-8 TIME OF DELIVERY (JUN 1997)

(a) The Government requires delivery to be made according to the following schedule:

REQUIRED DELIVERY SCHEDULE  
 (Contracting Officer insert specific details)

ITEM	QUANTITY	WITHIN DAYS AFTER DATE OF CONTRACT AWARD
0001AA	1 EA	* 60 DAYS
0001AE	1 LOT	IAW DD FROM 1423

**\*Note: Completion of the Overhaul shall be within 60 days after induction into the repair cycle in accordance with C.3.6 of the Statement of Work.**

## OFFEROR'S PROPOSED DELIVERY SCHEDULE

ITEM NO	QUANTITY	WITHIN DAYS AFTER DATE OF CONTRACT
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(b) Attention is directed to the Contract Award provision of the solicitation that provides that a written award or acceptance of offer mailed, or otherwise furnished to the successful offeror, results in a binding contract. The Government will mail or otherwise furnish to the offeror an award or notice of award not later than the day award is dated. Therefore, the offeror should compute the time available for performance beginning with the actual date of award, rather than the date the written notice of award is received from the Contracting Officer through the ordinary mails. However, the Government will evaluate an offer that proposes delivery based on the Contractor's date of receipt of the contract or notice of award by adding (1) five calendar days for delivery of the award through the

ordinary mails, or (2) one working day if the solicitation states that the contract or notice of award will be transmitted electronically. (The term "working day" excludes weekends and U.S. Federal holidays.) If, as so computed, the offered delivery date is later than the required delivery date, the offer will be considered nonresponsive and rejected.

(End of Clause)

## SECTION G Contract Administration Data

## CLAUSES INCORPORATED BY REFERENCE:

252.242-7000 Postaward Conference

DEC 1991

## CLAUSES INCORPORATED BY FULL TEXT

**5252.232-9000 SUBMISSION OF INVOICES (FIXED PRICE) (JUL 1992)**

(a) "Invoice" as used in this clause does not include contractor requests for progress payments.

(b) The contractor shall submit original invoices with copies to the address identified in the solicitation/ contract award form (SF 26-Block 10; SF 33-Block 23; SF 1447-Block 14), unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order (DD 1155-Block 13 or SF 26-Block 10).

(c) The use of copies of the Material Inspection and Receiving Report (MIRR), DD Form 250, as an invoice is encouraged. DFARS Appendix F-306 provides instructions for such use. Copies of the MIRR used as an invoice are in addition to the standard distribution stated in DFARS F-401.

(d) In addition to the requirements of the Prompt Payment clause of this contract, the contractor shall cite on each invoice the contract line item number (CLIN); the contract subline item number (SLIN), if applicable; the accounting classification reference number (ACRN) as identified on the financial accounting data sheets, and the payment terms.

(e) The contractor shall prepare:

\_\_\_\_\_ a separate invoice for each activity designated to receive the supplies or services.

\_\_\_\_\_ a consolidated invoice covering all shipments delivered under an individual order.

  x   either of the above.

(f) If acceptance is at origin, the contractor shall submit the MIRR or other acceptance verification directly to the designated payment office. If acceptance is at destination, the consignee will forward acceptance verification to the designated payment office.

\* Check applicable procedure.  
(End of clause)

## SECTION I Contract Clauses

## CLAUSES INCORPORATED BY REFERENCE:

52.202-1	Definitions	DEC 2001
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	JUL 1995
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	JUN 1997
52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	JUL 1995
52.215-2	Audit and Records--Negotiation	JUN 1999
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.225-13	Restrictions on Certain Foreign Purchases	JUL 2000
52.227-1	Authorization and Consent	JUL 1995
52.229-6	Taxes--Foreign Fixed-Price Contracts	JAN 1991
52.232-1	Payments	APR 1984
52.232-8	Discounts For Prompt Payment	FEB 2002
52.232-11	Extras	APR 1984
52.232-17	Interest	JUN 1996
52.232-23	Assignment Of Claims	JAN 1986
52.232-33	Payment by Electronic Funds Transfer--Central Contractor Registration	MAY 1999
52.233-1	Disputes	JUL 2002
52.233-3	Protest After Award	AUG 1996
52.242-13	Bankruptcy	JUL 1995
52.243-1 Alt I	Changes--Fixed Price (Aug 1987) - Alternate I	APR 1984
52.244-5	Competition In Subcontracting	DEC 1996
52.245-4	Government-Furnished Property (Short Form)	JUN 2003
52.246-25	Limitation Of Liability--Services	FEB 1997
52.249-2	Termination For Convenience Of The Government (Fixed-Price)	SEP 1996
52.249-4	Termination For Convenience Of The Government (Services) (Short Form)	APR 1984
52.249-8	Default (Fixed-Price Supply & Service)	APR 1984
52.253-1	Computer Generated Forms	JAN 1991
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	MAR 1999
252.204-7000	Disclosure Of Information	DEC 1991
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004	Required Central Contractor Registration	NOV 2001
252.209-7000	Acquisition From Subcontractors Subject To On-Site Inspection Under The Intermediate Range Nuclear Forces (INF) Treaty	NOV 1995
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country	MAR 1998
252.222-7002	Compliance With Local Labor Laws (Overseas)	JUN 1997
252.225-7012	Preference For Certain Domestic Commodities	FEB 2003
252.225-7041	Correspondence in English	JUN 1997

252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises-DoD Contracts	SEP 2001
252.227-7013	Rights in Technical Data--Noncommercial Items	NOV 1995
252.227-7016	Rights in Bid or Proposal Information	JUN 1995
252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
252.227-7036	Declaration of Technical Data Conformity	JAN 1997
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999
252.229-7001	Tax Relief (Jun 1997) - Alternate I	JUN 1997
Alt I		
252.229-7002	Customs Exemptions (Germany)	JUN 1997
252.232-7003	Electronic Submission of Payment Requests	MAR 2003
252.232-7008	Assignment of Claims (Overseas)	JUN 1997
252.233-7001	Choice of Law (Overseas)	JUN 1997
252.243-7001	Pricing Of Contract Modifications	DEC 1991
252.243-7002	Requests for Equitable Adjustment	MAR 1998
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	MAR 2000
252.247-7023	Transportation of Supplies by Sea	MAY 2002

#### CLAUSES INCORPORATED BY FULL TEXT

##### 52.232-25 PROMPT PAYMENT (FEB 2002)

Notwithstanding any other payment clause in this contract, the Government will make invoice payments under the terms and conditions specified in this clause. The Government considers payment as being made on the day a check is dated or the date of an electronic funds transfer (EFT). Definitions of pertinent terms are set forth in sections 2.101, 32.001, and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified. (However, see paragraph (a)(4) of this clause concerning payments due on Saturdays, Sundays, and legal holidays.)

(a) Invoice payments--(1) Due date. (i) Except as indicated in paragraphs (a)(2) and (c) of this clause, the due date for making invoice payments by the designated payment office is the later of the following two events:

(A) The 30th day after the designated billing office receives a proper invoice from the Contractor (except as provided in paragraph (a)(1)(ii) of this clause).

(B) The 30th day after Government acceptance of supplies delivered or services performed. For a final invoice, when the payment amount is subject to contract settlement actions, acceptance is deemed to occur on the effective date of the contract settlement.

(ii) If the designated billing office fails to annotate the invoice with the actual date of receipt at the time of receipt, the invoice payment due date is the 30th day after the date of the Contractor's invoice, provided the designated billing office receives a proper invoice and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(2) Certain food products and other payments. (i) Due dates on Contractor invoices for meat, meat food products, or fish; perishable agricultural commodities; and dairy products, edible fats or oils, and food products prepared from edible fats or oils are--

(A) For meat or meat food products, as defined in section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)), and as further defined in Pub. L. 98-181, including any edible fresh or frozen poultry meat, any

perishable poultry meat food product, fresh eggs, and any perishable egg product, as close as possible to, but not later than, the 7th day after product delivery.

(B) For fresh or frozen fish, as defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), as close as possible to, but not later than, the 7th day after product delivery.

C) For perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)), as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(D) For dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received. Liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar products, fall within this classification. Nothing in the Act limits this classification to refrigerated products. When questions arise regarding the proper classification of a specific product, prevailing industry practices will be followed in specifying a contract payment due date. The burden of proof that a classification of a specific product is, in fact, prevailing industry practice is upon the Contractor making the representation.

(ii) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

(3) Contractor's invoice. The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in paragraphs (a)(3)(i) through (a)(3)(x) of this clause. If the invoice does not comply with these requirements, the designated billing office will return it within 7 days after receipt (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils), with the reasons why it is not a proper invoice. The Government will take into account untimely notification when computing any interest penalty owed the Contractor.

(i) Name and address of the Contractor.

(ii) Invoice date and invoice number. (The Contractor should date invoices as close as possible to the date of the mailing or transmission.)

(iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).

(iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(v) Shipping and payment terms (e.g., shipment number and date of shipment, discount for prompt payment terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective invoice.

(viii) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.

(ix) Electronic funds transfer (EFT) banking information.



(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision (e.g., 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer--Other Than Central Contractor Registration), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(x) Any other information or documentation required by the contract (e.g., evidence of shipment).

(4) Interest penalty. The designated payment office will pay an interest penalty automatically, without request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(4)(i) through (a)(4)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday, the designated payment office may make payment on the following working day without incurring a late payment interest penalty.

(i) The designated billing office received a proper invoice.

(ii) The Government processed a receiving report or other Government documentation authorizing payment, and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.

(iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(5) Computing penalty amount. The Government will compute the interest penalty in accordance with the Office of Management and Budget prompt payment regulations at 5 CFR part 1315.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance is deemed to occur constructively on the 7th day (unless otherwise specified in this contract) after the Contractor delivers the supplies or performs the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or Contractor compliance with a contract provision. If actual acceptance occurs within the constructive acceptance period, the Government will base the determination of an interest penalty on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The prompt payment regulations at 5 CFR 1315.10(c) do not require the Government to pay interest penalties if payment delays are due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance, or on amounts temporarily withheld or retained in accordance with the terms of the contract. The Government and the Contractor shall resolve claims involving disputes and any interest that may be payable in accordance with the clause at FAR 52.233-1, Disputes.

(6) Discounts for prompt payment. The designated payment office will pay an interest penalty automatically, without request from the Contractor, if the Government takes a discount for prompt payment improperly. The Government will calculate the interest penalty in accordance with the prompt payment regulations at 5 CFR part 1315.

(7) Additional interest penalty. (i) The designated payment office will pay a penalty amount, calculated in accordance with the prompt payment regulations at 5 CFR part 1315 in addition to the interest penalty amount only if--

(A) The Government owes an interest penalty of \$1 or more;

(B) The designated payment office does not pay the interest penalty within 10 days after the date the invoice amount is paid; and

(C) The Contractor makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a)(7)(ii) of this clause, postmarked not later than 40 days after the invoice amount is paid.

(ii)(A) The Contractor shall support written demands for additional penalty payments with the following data. The Government will not request any additional data. The Contractor shall--

(1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;

(2) Attach a copy of the invoice on which the unpaid late payment interest is due; and

(3) State that payment of the principal has been received, including the date of receipt.

(B) If there is no postmark or the postmark is illegible--

(1) The designated payment office that receives the demand will annotate it with the date of receipt, provided the demand is received on or before the 40th day after payment was made; or

(2) If the designated payment office fails to make the required annotation, the Government will determine the demand's validity based on the date the Contractor has placed on the demand, provided such date is no later than the 40th day after payment was made.

(iii) The additional penalty does not apply to payments regulated by other Government regulations (e.g., payments under utility contracts subject to tariffs and regulation).

(b) Contract financing payment. If this contract provides for contract financing, the Government will make contract financing payments in accordance with the applicable contract financing clause.

(c) Fast payment procedure due dates. If this contract contains the clause at 52.213-1, Fast Payment Procedure, payments will be made within 15 days after the date of receipt of the invoice.

(d) Overpayments. If the Contractor becomes aware of a duplicate payment or that the Government has otherwise overpaid on an invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

(End of clause)

#### 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (APR 2003)

(a) Definitions. As used this clause--

"Commercial item", has the meaning contained in the clause at 52.202-1, Definitions.

"Subcontract", includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c)(1) The Contractor shall insert the following clauses in subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (OCT 2000) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212(a)).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).

(v) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64).

(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

(End of clause)

52.248-1 VALUE ENGINEERING (FEB 2000)

(a) General. The Contractor is encouraged to develop, prepare, and submit value engineering change proposals (VECP's) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates in paragraph (f) below.

(b) Definitions. "Acquisition savings," as used in this clause, means savings resulting from the application of a VECP to contracts awarded by the same contracting office or its successor for essentially the same unit. Acquisition savings include--

(1) Instant contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;

(2) Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and

(3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, additional orders, and funding of subsequent year requirements on a multiyear contract.

"Collateral costs," as used in this clause, means agency cost of operation, maintenance, logistic support, or Government-furnished property.

"Collateral savings," as used in this clause, means those measurable net reductions resulting from a VECP in the agency's overall projected collateral costs, exclusive of acquisition savings, whether or not the acquisition cost changes.

"Contracting office" includes any contracting office that the acquisition is transferred to, such as another branch of the agency or another agency's office that is performing a joint acquisition action.

"Contractor's development and implementation costs," as used in this clause, means those costs the Contractor incurs on a VECP specifically in developing, testing, preparing, and submitting the VECP, as well as those costs the Contractor incurs to make the contractual changes required by Government acceptance of a VECP.

"Future unit cost reduction," as used in this clause, means the instant unit cost reduction adjusted as the Contracting Officer considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either (1) throughout the sharing period, unless the Contracting Officer decides that recalculation is necessary because conditions are significantly different from those previously anticipated or (2) to the calculation of a lump-sum payment, which cannot later be revised.

"Government costs," as used in this clause, means those agency costs that result directly from developing and implementing the VECP, such as any net increases in the cost of testing, operations, maintenance, and logistics support. The term does not include the normal administrative costs of processing the VECP or any increase in this contract's cost or price resulting from negative instant contract savings.

"Instant contract," as used in this clause, means this contract, under which the VECP is submitted. It does not include increases in quantities after acceptance of the VECP that are due to contract modifications, exercise of options, or additional orders. If this is a multiyear contract, the term does not include quantities funded after VECP acceptance. If this contract is a fixed-price contract with prospective price redetermination, the term refers to the period for which firm prices have been established.

"Instant unit cost reduction" means the amount of the decrease in unit cost of performance (without deducting any Contractor's development or implementation costs) resulting from using the VECP on this, the instant contract. If this is a service contract, the instant unit cost reduction is normally equal to the number of hours per line-item task saved by using the VECP on this contract, multiplied by the appropriate contract labor rate.

"Negative instant contract savings" means the increase in the cost or price of this contract when the acceptance of a VECP results in an excess of the Contractor's allowable development and implementation costs over the product of the instant unit cost reduction multiplied by the number of instant contract units affected.

"Net acquisition savings" means total acquisition savings, including instant, concurrent, and future contract savings, less Government costs.

"Sharing base," as used in this clause, means the number of affected end items on contracts of the contracting office accepting the VECP.

Sharing period, as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the contracting officer for each VECP.

"Unit," as used in this clause, means the item or task to which the Contracting Officer and the Contractor agree the VECP applies.

"Value engineering change proposal (VECP)" means a proposal that--

- (1) Requires a change to this, the instant contract, to implement; and
- (2) Results in reducing the overall projected cost to the agency without impairing essential functions or characteristics; provided, that it does not involve a change--
  - (i) In deliverable end item quantities only;
  - (ii) In research and development (R&D) end items or R&D test quantities that is due solely to results of previous testing under this contract; or
  - (iii) To the contract type only.

(c) VECP preparation. As a minimum, the Contractor shall include in each VECP the information described in subparagraphs (1) through (8) below. If the proposed change is affected by contractually required configuration management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:

(1) A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item's function or characteristics are being altered, the effect of the change on the end item's performance, and any pertinent objective test data.

(2) A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.

(3) Identification of the unit to which the VECP applies.

(4) A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor's allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause, below.

(5) A description and estimate of costs the Government may incur in implementing the VECP, such as test and evaluation and operating and support costs.

(6) A prediction of any effects the proposed change would have on collateral costs to the agency.

(7) A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.

(8) Identification of any previous submissions of the VECP, including the dates submitted, the agencies and contract numbers involved, and previous Government actions, if known.

(d) Submission. The Contractor shall submit VECP's to the Contracting Officer, unless this contract states otherwise. If this contract is administered by other than the contracting office, the Contractor shall submit a copy of the VECP simultaneously to the Contracting Officer and to the Administrative Contracting Officer.

(e) Government action. (1) The Contracting Officer will notify the Contractor of the status of the VECP within 45 calendar days after the contracting office receives it. If additional time is required, the Contracting Officer will notify the Contractor within the 45-day period and provide the reason for the delay and the expected date of the decision. The Government will process VECP's expeditiously; however, it shall not be liable for any delay in acting upon a VECP.

(2) If the VECP is not accepted, the Contracting Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Government. The Contracting Officer may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.

(3) Any VECP may be accepted, in whole or in part, by the Contracting Officer's award of a modification to this contract citing this clause and made either before or within a reasonable time after contract performance is completed. Until such a contract modification applies a VECP to this contract, the Contractor shall perform in accordance with the existing contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Contracting Officer.

(f) Sharing rates. If a VECP is accepted, the Contractor shall share in net acquisition savings according to the percentages shown in the table below. The percentage paid the Contractor depends upon (1) this contract's type (fixed-price, incentive, or cost-reimbursement), (2) the sharing arrangement specified in paragraph (a) above

(incentive, program requirement, or a combination as delineated in the Schedule), and (3) the source of the savings (the instant contract, or concurrent and future contracts), as follows:

### CONTRACTOR'S SHARE OF NET ACQUISITION SAVINGS

(Figures in percent)

Contract Type	Incentive (Voluntary)		Program Requirement (Mandatory)	
	Instant Contract Rate	Concurrent and Future Contract Rate	Instant Contract Rate	Concurrent and Future Contract Rate
Fixed-price (includes fixed-price-award-fee; excludes other fixed-price incentive contracts)	(1) 50	(1) 50	(1) 25	25
Incentive (fixed-price or cost) (other than award fee)	(2)	(1) 50	(2)	25
Cost-reimbursement (includes cost-plus-award-fee; excludes other cost-type incentive Contracts)	(3) 25	(3) 25	15	15

(1) The Contracting Officer may increase the Contractor's sharing rate to as high as 75 percent for each VECP.

(2) Same sharing arrangement as the contract's profit or fee adjustment formula.

(3) The Contracting Officer may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

(g) Calculating net acquisition savings.

(1) Acquisition savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see subparagraph (i)(4) below). Net acquisition savings are first realized, and the Contractor shall be paid a share, when Government costs and any negative instant contract savings have been fully offset against acquisition savings.

(2) Except in incentive contracts, Government costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net acquisition savings by the appropriate Contractor's percentage sharing rate (see paragraph (f) above). Additional Contractor shares of net acquisition savings shall be paid to the Contractor at the time realized.

(3) If this is an incentive contract, recovery of Government costs on the instant contract shall be deferred and offset against concurrent and future contract savings. The Contractor shall share through the contract incentive structure in savings on the instant contract items affected. Any negative instant contract savings shall be added to the target cost or to the target price and ceiling price, and the amount shall be offset against concurrent and future contract savings.

(4) If the Government does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Government for the proportionate share of these payments.

(h) Contract adjustment. The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall--

(1) Reduce the contract price or estimated cost by the amount of instant contract savings, unless this is an incentive contract;

(2) When the amount of instant contract savings is negative, increase the contract price, target price and ceiling price, target cost, or estimated cost by that amount;

(3) Specify the Contractor's dollar share per unit on future contracts, or provide the lump-sum payment;

(4) Specify the amount of any Government costs or negative instant contract savings to be offset in determining net acquisition savings realized from concurrent or future contract savings; and

(5) Provide the Contractor's share of any net acquisition savings under the instant contract in accordance with the following:

(i) Fixed-price contracts--add to contract price.

(ii) Cost-reimbursement contracts--add to contract fee.

(i) Concurrent and future contract savings.

(1) Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with subparagraph (h)(5) above. For incentive contracts, shares shall be added as a separate firm-fixed-price line item on the instant contract. The Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.

(2) The Contracting Officer shall calculate the Contractor's share of concurrent contract savings by (i) subtracting from the reduction in price negotiated on the concurrent contract any Government costs or negative instant contract savings not yet offset and (ii) multiplying the result by the Contractor's sharing rate.

(3) The Contracting Officer shall calculate the Contractor's share of future contract savings by (i) multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period, (ii) subtracting any Government costs or negative instant contract savings not yet offset, and (iii) multiplying the result by the Contractor's sharing rate.

(4) When the Government wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Contracting Officer's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract (see subparagraph (h)(3) above) and shall not be subject to subsequent adjustment.

(5) Alternate no-cost settlement method. When, in accordance with subsection 48.104-4 of the Federal Acquisition Regulation, the Government and the Contractor mutually agree to use the no-cost settlement method, the following applies:

(i) The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.

(ii) The Government will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.

(j) Collateral savings. If a VECP is accepted, the Contracting Officer will increase the instant contract amount, as specified in paragraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset. However, the Contractor's share of collateral savings will not exceed the contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or \$100,000, whichever is greater. The Contracting Officer will be the sole determiner of the amount of collateral savings.

(k) Relationship to other incentives. Only those benefits of an accepted VECP not rewardable under performance, design-to-cost (production unit cost, operating and support costs, reliability and maintainability), or similar incentives shall be rewarded under this clause. However, the targets of such incentives affected by the VECP shall not be adjusted because of VECP acceptance. If this contract specifies targets but provides no incentive to surpass them, the value engineering sharing shall apply only to the amount of achievement better than target.

(l) Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract of \$100,000 or more and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any subcontractor's allowable development and implementation costs, and any value engineering incentive payments to a subcontractor, clearly resulting from a VECP accepted by the Government under this contract. The Contractor may choose any arrangement for subcontractor value engineering incentive payments; provided, that the payments shall not reduce the Government's share of concurrent or future contract savings or collateral savings.

(m) Data. The Contractor may restrict the Government's right to use any part of a VECP or the supporting data by marking the following legend on the affected parts:

"These data, furnished under the Value Engineering clause of contract . . . . . , shall not be disclosed outside the Government or duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate a value engineering change proposal submitted under the clause. This restriction does not limit the Government's right to use information contained in these data if it has been obtained or is otherwise available from the Contractor or from another source without limitations."

If a VECP is accepted, the Contractor hereby grants the Government unlimited rights in the VECP and supporting data, except that, with respect to data qualifying and submitted as limited rights technical data, the Government shall have the rights specified in the contract modification implementing the VECP and shall appropriately mark the data. (The terms "unlimited rights" and "limited rights" are defined in Part 27 of the Federal Acquisition Regulation.)

(End of clause)

#### 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far/>

CAR-I10 AUTHORIZED CHANGES ONLY BY THE CONTRACTING OFFICER (JUN 1996) (NSWCCD)

(a) Except as specified in paragraph (b) below, no order, statement, or conduct of Government personnel who visit the Contractor's facilities or in any other manner communicates with Contractor personnel during the performance of this contract shall constitute a change under the "Changes" clause of this contract.

(b) The Contractor shall not comply with any order, direction or request of Government personnel unless it is issued in writing and signed by the Contracting Officer, or is pursuant to specific authority otherwise included as a part of this contract.



(c) The Contracting Officer is the only person authorized to approve changes in any of the requirements of this contract and notwithstanding provisions contained elsewhere in this contract, the said authority remains solely the Contracting Officer's. In the event the contractor effects any change at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in charges incurred as a result thereof. The address and telephone number of the Contracting Officer is:

ANNETTE BUCCI  
5001 S. Broad Street  
Bldg. 4  
Philadelphia, PA 19112-1403  
215-897-7770

## SECTION J List of Documents, Exhibits and Other Attachments

ATTACHMENT	TITLE	NO. OF PAGES
J.1	DD Form 1423, Seq. Nos. A001-A002 With instructions	3

## SECTION K Representations, Certifications and Other Statements of Offerors

## CLAUSES INCORPORATED BY REFERENCE:

52.203-11	Certification And Disclosure Regarding Payments To Influence Certain Federal Transactions	APR 1991
52.222-38	Compliance with Veterans' Employment Reporting Requirements	DEC 2001
252.209-7001	Disclosure of Ownership or Control by the Government of a Terrorist Country	MAR 1998
252.225-7031	Secondary Arab Boycott Of Israel	APR 2003
252.225-7042	Authorization to Perform	APR 2003
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government	JUN 1995

## CLAUSES INCORPORATED BY FULL TEXT

## 52.203-2 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (APR 1985)

(a) The offeror certifies that --

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to --

(i) Those prices,

(ii) The intention to submit an offer, or

(iii) The methods of factors used to calculate the prices offered:

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory --

(1) Is the person in the offeror's organization responsible for determining the prices offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision \_\_\_\_\_ (insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization);

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision.

(c) If the offeror deletes or modifies subparagraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

(End of provision)

**52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (DEC 2001)**

(a)(1) The Offeror certifies, to the best of its knowledge and belief, that--

(i) The Offeror and/or any of its Principals--

(A) Are ( ) are not ( ) presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have ( ) have not ( ), within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are ( ) are not ( ) presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(ii) The Offeror has ( ) has not ( ), within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

**THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.**

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was

placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

(End of provision)

#### 52.215-6 PLACE OF PERFORMANCE (OCT 1997)

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ( ) intends, ( ) does not intend [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks “intends” in paragraph (a) of this provision, it shall insert in the following spaces the required information:

**Place of Performance(Street Address, City, State,  
County, Zip Code)**

**Name and Address of Owner and Operator of the  
Plant or Facility if Other Than Offeror or  
Respondent**

(End of provision)

#### 252.247-7022 REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA (AUG 1992)

(a) The Offeror shall indicate by checking the appropriate blank in paragraph (b) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term supplies is defined in the Transportation of Supplies by Sea clause of this solicitation.

(b) Representation. The Offeror represents that it:

\_\_\_ (1) Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

\_\_\_ (2) Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(c) Any contract resulting from this solicitation will include the Transportation of Supplies by Sea clause. If the Offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense FAR Supplement clause at 252.247-7024, Notification of Transportation of Supplies by Sea.

(End of provision)

#### CAR-K01 ELECTRONIC DISTRIBUTION OF CONTRACT DOCUMENTS (NOV 2000)

(a) The Navy Air Force Interface (NAFI) provides World Wide Web access to documents used to support the procurement, contract administration, bill paying, and accounting processes. NAFI is being used by the Naval Surface Warfare Center, Carderock Division to electronically distribute all contract award and contract modification documents, including task and delivery orders. The contractor's copy will be provided in portable document format (pdf) as an attachment to an e-mail that will be sent to the contractor by the NAFI system. A pdf file may be accessed using Adobe Acrobat Reader which is a free software that may be downloaded at <http://www.adobe.com/products/acrobat/readstep.html>.

(b) Offerors must provide the following information that will be used to make electronic distribution for any resultant contract.

Name of Point of Contact \_\_\_\_\_

Phone Number for Point of Contact \_\_\_\_\_

E-mail Address for Receipt of Electronic Distribution \_\_\_\_\_

## SECTION L Instructions, Conditions and Notices to Bidders

## CLAUSES INCORPORATED BY REFERENCE:

52.204-6	Data Universal Numbering System (DUNS) Number	JUN 1999
52.214-34	Submission Of Offers In The English Language	APR 1991
52.214-35	Submission Of Offers In U.S. Currency	APR 1991

## CLAUSES INCORPORATED BY FULL TEXT

## 52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of a Firm-Fixed-Priced contract resulting from this solicitation.

(End of clause)

## 52.233-2 SERVICE OF PROTEST (AUG 1996)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from

Annette Bucci  
Code 3352  
5001 S. Broad Street, Building 4  
Philadelphia, PA 19112-1403

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

(End of provision)

## 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far/>  
CAR-L03 SINGLE AWARD FOR SUBLINE ITEMS (JUN 1996) (NSWCCD)

Subject to the provisions contained herein, award shall be made to a single offeror for all subline items within each contract line item. Offers must include each subline item listed within a line item. Failure to do this shall be cause for rejection of the offer for that particular line item.

CAR-L06 SELECTED COST DATA FOR OTHER THAN INDEFINITE DELIVERY CONTRACTS (JUN 1996)  
(NSWCCD)

To assist the Government in determining cost reasonableness/realism for this effort, it is required that you provide enough detailed cost information with your offer to make this determination. In preparing your cost proposal, it is essential that you breakout and identify separately for each year of the contract, the following types of cost elements listed below. The following is only an example of the various types of cost elements which may be applicable but not necessarily limited to:

- (a) **DIRECT MATERIALS** - Identify proposed material items, purchased parts or subcontracted materials including the basis for the proposed amount, e.g., engineering estimate, vendor quote, catalog item, etc.
- (b) **DIRECT LABOR** - Identify the various labor categories intended for use under this contract including the number of labor hours, labor rates, and total cost for each labor category proposed for each year of the contract. The labor specified under this category shall only be for the prime contractor's direct labor and shall not include any subcontracted labor. (See subcontracted labor below).
- (c) **FRINGE BENEFITS** - If applicable and in accordance with your normal accounting procedures, identify the fringe benefit rate(s) and total fringe benefit cost being proposed and identify the cost elements for which the fringe benefit rate is being applied.
- (d) **OVERHEAD** - Identify the current and/or projected overhead rate(s) and total overhead cost being proposed under this solicitation and identify the various cost elements for which overhead is being applied.
- (e) **SUBCONTRACTING LABOR** - Identify (if applicable), any proposed subcontracting labor intended for use under this contract. Identify the labor categories for which subcontracting is being proposed and include the subcontractor's direct labor rates, number of hours proposed for each labor category, fringe benefits, overhead, G&A, fee, etc., that has been submitted by the subcontractor to the prime contractor for consideration under this contract.
- (f) **OTHER-** (1) **Direct Cost** - Identify any other direct cost elements being proposed which are not included above but are applicable to your cost proposal, e.g., royalties, Facilities Capital Cost of Money, special tooling, travel, computer usage, etc. Include the basis for the proposed amount. (2) **Indirect cost** - Identify any other indirect cost element being proposed which has not been included above and identify the various cost elements for which the rate is applied.
- (g) **GENERAL & ADMINISTRATIVE EXPENSE** - Identify the G&A rate(s) and the total G&A cost proposed and identify the various cost elements for which the G&A is being applied.
- (h) **FEE** - Identify the fee rate and total amount proposed and identify the various cost elements for which the fee is being applied.



#### SECTION M Evaluation Factors for Award

The offeror's proposal will be evaluated based on the Contracting Officer's determination that the cost is fair and reasonable.